



Legislation Text

File #: 17-132, **Version:** 1

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SUBJECT: Award Bid to Yellow Jacket Drilling for Constructing a Test Well for the New Municipal Well 21 Site, Project No. 113026

REPORT IN BRIEF

Consider awarding a contract in the amount of \$190,800 to Yellow Jacket Drilling to construct a test well for the new municipal Well 21 site at the intersection of Bellevue Road and G Street.

RECOMMENDATION

City Council - Adopt a motion:

- A. Awarding the bid for the Well 21 site test well construction to Yellow Jacket Drilling, in the amount of \$190,800; and,
- B. Authorizing the City Manager to execute the necessary documents and to approve change orders not to exceed 10% of the total contract.

ALTERNATIVES

1. Approve, as recommended by staff; or,
2. Approve, subject to modifications as conditioned by City Council; or,
3. Refer to staff for reconsideration of specific items; or,
4. Deny.

AUTHORITY

Charter of the City of Merced, Section 200 et seq.

Municipal Code Chapter 3.04, Article IV - Public Works Contracts. Every project involving an expenditure of more than sixty-five thousand, two hundred and four dollars (\$65,204) for the construction or improvements of public buildings, works, streets, drains, sewers, utilities, park, and playgrounds shall be let by contract to the lowest responsive and responsible bidder after notice by publication in the official newspaper by one or more insertions, the first of which shall be at least ten days before the time for opening bids.

CITY COUNCIL PRIORITIES

As provided for in the 2016-17 Adopted Budget

DISCUSSION

The City Engineer and the Public Works Director have recommended that a new water well be located at the intersection of Bellevue Road and G Street.

On September 21, 2015, the City Council awarded an Agreement for Professional Services to AECOM Technical Services, Inc. (AECOM), to design the new Well 21 municipal well and pump station.

The proposed test well boring hole will be drilled to 800 feet below grade. In this method, the drilling bit is advanced downward concurrent with a steel casing that stabilizes the surrounding material. Water samples are then obtained at discrete aquifer levels. Upon completion of sampling and review of the associated laboratory reports, the well will be abandoned in accordance with State well standards. The purpose of the work is to design the final production well screened intervals to provide the highest quality water and avoid subsurface layers that may contain potential water contaminants.

AECOM, under the direction of City staff, prepared plans and specifications for the work. The project was advertised and the bid opening conducted on March 2, 2017. One bid was received:

Yellow Jacket Drilling (Gilbert, AZ) \$190,800

The engineer's estimate was \$130,000.

Staff received multiple contacts from drilling companies during the bid advertisement requesting to use a different drilling method. These requests were denied because of need to obtain water sample and adherence to the published specifications was stressed. The selected driven casing drilling method appears to be responsible for the limited bid response. This method requires that the well driller have their apparatus on-site for a protracted period of time while water samples are obtained. This creates a lost opportunity for potential bidders to use their well equipment at other locations in the current highly competitive market. This lead to a single bid and at a higher bid than the engineer's estimate. Staff is recommending award based upon this lost opportunity factor and the low likelihood that a re-bid will result in a lower cost.

The following is the proposed budget for the project:

Construction	\$ 190,800
Contingency (10%)	\$ 19,080
Engineering, Testing, Inspection (5%)	\$ 9,540
Total	\$ 219,420

Staff will request authorization from the City Council at a future date to award contracts for the 1) new well construction, and 2) the pump station infrastructure to tie the new well into the City water system.

History and Past Actions

On February 2, 2004, the City Council adopted a resolution 2004-24 approving the final subdivision map for "*Bellevue Ranch East Village 16*" and accepting lot "W2" for well site purposes.

On February 17, 2015, the City Council adopted a motion affirming the use of lot "W2" for well site purposes.

IMPACT ON CITY RESOURCES

This project was established as a Capital Improvement Project and account 556-1118-637.65-00-113026 contains sufficient funding to complete the project.

ATTACHMENTS

1. Vicinity Map
2. Site Map
3. Bid Results
4. Contract